

City Hall, 71 Main Street West Hamilton, Ontario, Canada L8P 4Y5 www.hamilton.ca Guy Paparella, Director of Growth Planning Planning and Economic Development Department Growth Management Division 71 Main Street West, 6th Floor, Hamilton, ON L8P 4Y5 Phone: 905.546.2424 Ext. 5807 Fax: 905.540-5611 Email: guy.paparella@hamilton.ca

August 6, 2013

SENT VIA FAX (1-877-288-8803) & SUBMITTED ELECTRONICALLY

National Energy Board 444 7th Avenue SW Calgary, AB T2P 0X8

Attention: Sheri Young, Secretary of the Board

Dear Ms. Young:

RE: City of Hamilton ("COH") Letter of Comment

Enbridge Pipelines Inc. ("Enbridge") Application for the Line 9B Reversal and

Line 9 Capacity Expansion Project ("Application")

National Energy Board ("Board") OH-002-2013; OF- Fac-Oil-E101-2012-10 01

The COH appreciates the opportunity to provide its comments with respect to the abovenoted Application. The COH's interest in the Application relates to how the proposed project may impact the environmental and financial well-being of the municipality, as well as the health, safety and well-being of its inhabitants.

This Letter of Comment was prepared with input from staff of other municipalities sharing similar concerns. Specifically, a municipal liaison group was established and met regularly to discuss a coordinated approach to raising issues regarding the Application. The municipal liaison group was attended by staff from the COH, as well as the Town of Ajax, the City of Burlington, the City of Kingston, the City of Mississauga, the City of Toronto, and other municipal representatives. The COH shares the concerns raised by participants of the municipal liaison group, and wishes to highlight some specific concerns below.

PIPELINE INTEGRITY AND FINANCIAL ASSURANCE CONCERNS

The COH shares the concerns raised by municipal Intervenors relating to pipeline integrity and financial assurance. It is the COH's view that there are legitimate concerns related to pipeline integrity that Enbridge must address if the Board approves the Application, including but not limited to issues relating to system operations, amendments to Line 9 Rules and Regulations, pipeline construction, integrity management and integration of threats, and the Enbridge Integrity Management Program raised by municipal Intervenors. The COH also reiterates its concerns relating to allocation of financial responsibility for costs that may be incurred for emergency response, clean-ups and other required action, such as evacuation in the event of a spill, particularly costs which may be in excess of Enbridge's commercial liability insurance coverage limits.

EMERGENCY RESPONSE CONCERNS

The Hamilton Fire Department ("Hamilton Fire") has raised numerous concerns with Enbridge respecting emergency response issues. Based on Enbridge's responses to questions raised by Intervenors, particularly the City of Toronto, the City of Mississauga, and the Ontario Ministry of Energy, it is the view of Hamilton Fire that Enbridge is not prepared to provide municipal emergency responders with the level of information that would enable these first responders to properly plan and prepare for the most effective coordinated response in the event of a pipeline related emergency.

Pipeline Performance: Leakage, Rupture and Replacement

It is Hamilton Fire's view that Enbridge should be required to cooperate fully with local first responders in providing relevant details with respect to number of staff, equipment and timelines that will be deployed in the event of issues relating to the leakage or rupture of Line 9. Without the appropriate level of detail and consultation, local first responders are faced with the challenge of gauging the level of response that is required during an incident without knowing full details of when Enbridge personnel will be on scene and actively engaged.

Municipalities need to know that caches of equipment are positioned in such a manner as to allow a timely and effective response to events. This will allow municipalities to better plan and respond to the initial stages of an event (with a better idea as to the amount and type of equipment available to them, and the personnel they will have to commit to an incident and for what duration).

The Incident Action Plan software that has been prepopulated with Enbridge's response plan information should be shared with appropriate municipal personnel who can best evaluate and plan their organization's response accordingly.

Enbridge Safety Initiatives

At a minimum, it is Hamilton Fire's position that trusted municipal emergency response personnel should be permitted to meet with Enbridge officials and go over site/response specific plans, even if those plans are of a security-sensitive nature, in order to assess whether they meet local needs and to work together in identifying gaps that may need to be addressed. Hamilton Fire should also be provided with access to online and in-person training as part of Enbridge's Public Awareness Program or through other means.

Enbridge's Emergency Response Book

Hamilton Fire has concerns that municipal emergency responders may not be included in Unified Command Structures that are established by Enbridge. Enbridge indicates that municipal emergency responders (such as fire services) would be included in the Unified Command Structure if warranted by the specific situation. Given the role that Hamilton Fire would have relative to the protection of life and property in the COH, it is imperative that they are directly included in any Unified Command Structure that is established.

With respect to evacuations in the event of an incident relating to Line 9, Hamilton Fire would emphasize the critical role of local emergency response agencies in the decision process leading to evacuations. The decision to initiate an evacuation is a crucial one and in many instances needs to be timely.

Enbridge must be forthcoming in sharing with municipal emergency responders the details of initial response equipment caches available which may be required to construct underflow and culvert weir dams in the event of an incident involving Line 9 in and around wetlands and/or watersheds. This information is required to assist local emergency responders who will likely be first on scene to plan adequately for resources. Local emergency responders may already be deploying containment measures in advance of Enbridge's arrival in an effort to minimize the spread of product. If Enbridge has identified spill collection points along their route it would be extremely helpful for the local responders to incorporate this information into planning in the early stages of an incident.

Emergency Response and Control Measures

Allowing local emergency responders an opportunity to become familiar with the details of Enbridge's specific emergency plans in advance and having an opportunity to integrate Enbridge's plans into the local operations can only help in effectively managing any situation that may arise.

Lessons Learned from Recent Failures

Given what transpired in Marshall MI, Hamilton Fire is of the view that it is not unreasonable to solicit information on Enbridge's recent pipeline failures. Such information would allow municipalities an opportunity to assess what Enbridge has done in practice, not theory, and would better allow the municipalities to plan their response based on the actions of Enbridge to date.

Emergency Response Spending

Hamilton Fire is pleased to see that Enbridge is expending funds towards the development of detailed site-specific Tactical Response Plans and would welcome the opportunity to view Tactical Response Plans to enable a coordinated and efficient response to a pipeline emergency. Hamilton Fire does have concerns that tactical response plans are only being developed for key rivers flowing into Lake Ontario and not for other watercourses. Municipalities also require detailed information on the locations of equipment available for emergency response in order to identify what resources are in close proximity and to adequately plan their response and exercise their responsibilities in performing due diligence on behalf of their citizens regarding the effectiveness of Enbridge's preparations.

Spill Prevention, Response, Management, Monitoring

A major pipeline event will require large numbers of trained personnel along with large amounts of equipment. This is a large and time consuming logistical challenge. Municipalities will be forced to "take up the slack" as best as they can until help arrives in sufficient numbers to free up some of their resources. Enbridge must provide adequate detailed information in terms of identifying how many "on the ground" responders Enbridge has in Ontario to enable municipalities to adequately plan for these types of events.

SOURCEWATER PROTECTION CONCERNS

The City's Sustainable Initiatives & Source Protection Planning Section has concerns with respect to Enbridge making assurances in maintaining pipeline integrity and the impact that any potential for product release may have at pipe crossings at waterways and subsequent compromise of present or future sourcewaters.

The conveyance of crude oil in the Enbridge Line 9 pipeline is a threat to drinking water sources where the pipeline crosses open water. However, the focus of the source protection policies in the proposed source protection plan is on present municipal drinking water sources and there are none in the vicinity of the pipeline within the Hamilton Conservation Authority boundaries.

A recently-completed event-based modelling scenario in western Lake Ontario suggested that a release into the Sixteen Mile Creek of benzene could reach the municipal water intakes of Halton Region, the Woodward intake in Hamilton, and the Lorne Park intact in Mississauga at significant threat levels. This activity was determined to be a significant threat during the delineation of the intake protection zone three modelling and is only a significant threat for those areas that have been modelled. Although dilbit as a whole does not have the characteristics of benzene alone, there is a benzene fraction contained within the dilbit product. It is of worthy consideration to plan for the pro-active mitigation of a rupture given the uncertainty and lack of precedence of the dilbit initiative.

In order to protect the sources of municipal drinking water, the proposed policies in the Source Protection Plans to deal with the distribution of hydrocarbons through a pipeline include the following:

- Request Energy Boards in their consideration of any new or expanded pipelines to include appropriate design standards, monitoring and maintenance practices to prevent a pipeline from becoming a significant drinking water threat;
- Request fuel pipeline owners to conduct inline pipeline integrity testing and visual inspections every three years where pipelines cross open water bodies;
- For significant threats to Lake Ontario request that the Ministry of the Environment protect drinking water sources through provision of threat mapping to the Spills Action Centre for notification:
- Provide notifications to the Source Protection Department of the Conservation Authorities a report of the findings and actions taken.

Enbridge should strive to convey a higher confidence to municipalities that their spill response programme is better developed and subject to continual improvement, given historical events and future potentials in that this is an older pipeline with unproven expectations as to its abilities to convey a product with characteristics much different from original intended use.

Finally, although private wells are not yet covered under the *Clean Water Act*, those in proximity to the pipeline and particularly those that are shallow and extend only into the overburden, may be subject to short-term product inundation. The impacts are two-fold: firstly, there may be a total loss-of-use for which the owner should compensated; secondly, shallow wells may quickly become conduits for dilbit fractions to reach and compromise the quality of shallow aquifer waters, rendering many wells in proximity to any rupture unusable and heightening the risk to shallow overburden water quality and potability. Enbridge should document and prepare materials for distribution to response teams to reduce the risk and time required to prevent or mitigate water quality impacts. Enbridge should also clearly communicate to any impacted well owners that all costs for clean-up and, if necessary, replacement of privately-sourced potable water will be Enbridge's sole responsibility.

HAMILTON CONSERVATION AUTHORITY (HCA)

The HCA provided the COH with information relating to Enbridge's Line 9 Application as it relates to the HCA watershed (Attachment "A" to this letter). The information provided by the HCA shows the Line 9 pipeline in the HCA watershed, and highlights provincially significant wetlands and watercourses located in and around the pipeline corridor.

ENHANCEMENTS TO ADDRESS SAFETY CONCERNS

Based on the foregoing, the COH requests that the Board impose conditions upon Enbridge if the Application is approved, which addresses the following:

- Adequate emergency response measures, including but not limited, to training of local first responders, and specific plans for how Enbridge will deal with diluted bitumen in the case of a spill;
- Coordinating and sharing of all relevant and up-to-date emergency response and maintenance and repair information with local first responders on a regular basis, as part of Enbridge's Public Awareness Program or otherwise, to ensure the most effective response to an incident or leak;
- Adequate assurance from Enbridge regarding financial responsibility for costs related to emergency response, clean-ups and any other required action in the event of a spill;
- Regular consultation with local Source Water Protection staff, including the HCA, Conservation Halton, and City of Hamilton staff to identify potential threats to drinking water quality, and sharing of Enbridge's plans or opportunity to participate in the development of plans which address any malfunctions of the pipeline or spills that may threaten drinking water safety;
- Adequacy of current pipeline isolation valves in the COH and sharing of relevant information respecting valve operation with local first responders;
- Installation of pipeline isolation valves, if not already installed, where the pipeline crosses watersheds in the COH, including the Sheffield-Rockton Complex and other provincially-significant wetlands and environmentally-sensitive areas.

In addition to the above, if the Application is approved, the COH requests that the Board require Enbridge to obtain any applicable municipal or conservation authority approvals, including building permits and site plans, and also require Enbridge to pay applicable fees, including development charge payments in undertaking any work with respect to the Project in the City of Hamilton.

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Guy Paparella

Director of Growth Planning

C.C.

Ms. Chantal Robert Supervisor Regulator Affairs Enbridge Pipelines Inc. 425-1st Street S.W. Calgary, AB T2P 3L8 Facsimile: 403-767-3863 Ms. Margery Fowke Senior Regulatory Counsel Enbridge Pipelines Inc. 425-1st Street S.W. Calgary, AB T2P 3L8 Facsimile: 403-767-3863 Mr. Doug Crowther Legal Counsel Fraser Milner Casgrain LLP 15th Floor, Bankers Court 850-2nd Street S.W. Calgary, AB T2P 0R8 Facsimile; 403-268-3100